

# EXHIBIT 16

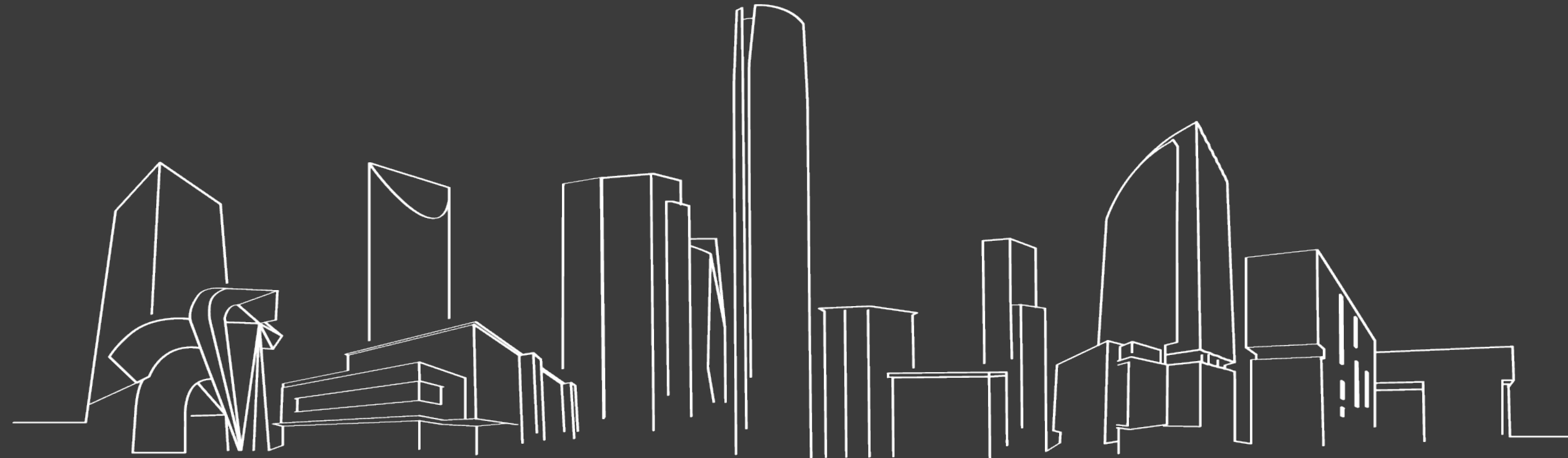




# FUNO DAY 2021

NOVEMBER 11<sup>TH</sup>, 2021

NYC





# WELCOME BY OUR CEO





ARTURO HERRERA



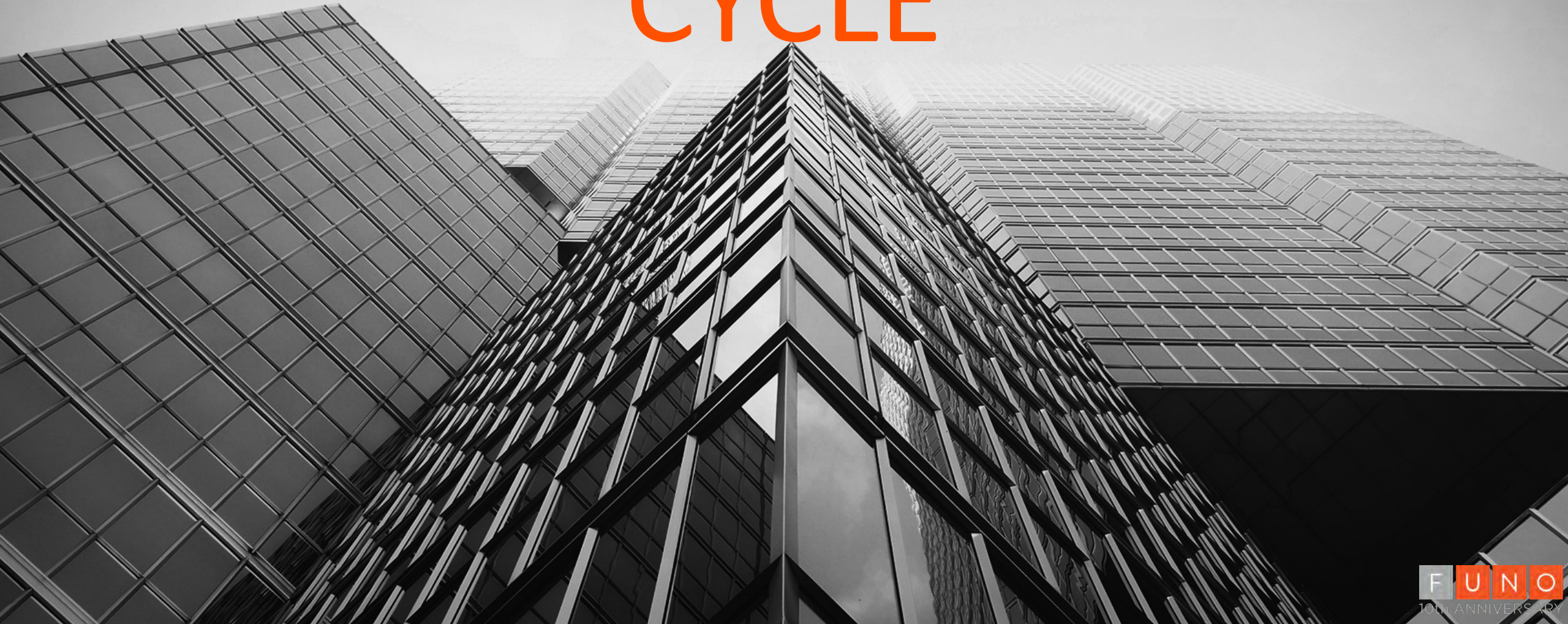
# ARTURO HERRERA

*Former Mexico's Secretary of Finance and Public Credit*

- Master Arturo Herrera is a visiting professor at the Center for Economics Studies at El Colegio de Mexico. He was, until last July, Finance Minister of Mexico. Previously, he also served as deputy finance minister and acted as revenue deputy minister of Mexico.
- Throughout his professional career Arturo has held positions at the World Bank, where he led several efforts to improve the performance of public management in several countries in Latam, Caribbean and East Asia
- Arturo Has also been involved in investment banking activities globally.
- Previously, he worked as Minister of Finance for the Mexico City Government, where he had previously served as Managing Director of Finance Administration.
- In the academic field, Arturo has taught seminars on micro and macro economics at Colegio de Mexico, and on monetary theory at NYU.
- Arturo holds a B.A. in Economics from Universidad Autónoma Metropolitana, and a master degree from El Colegio de México, and he is PhD candidate on economics from NYU.

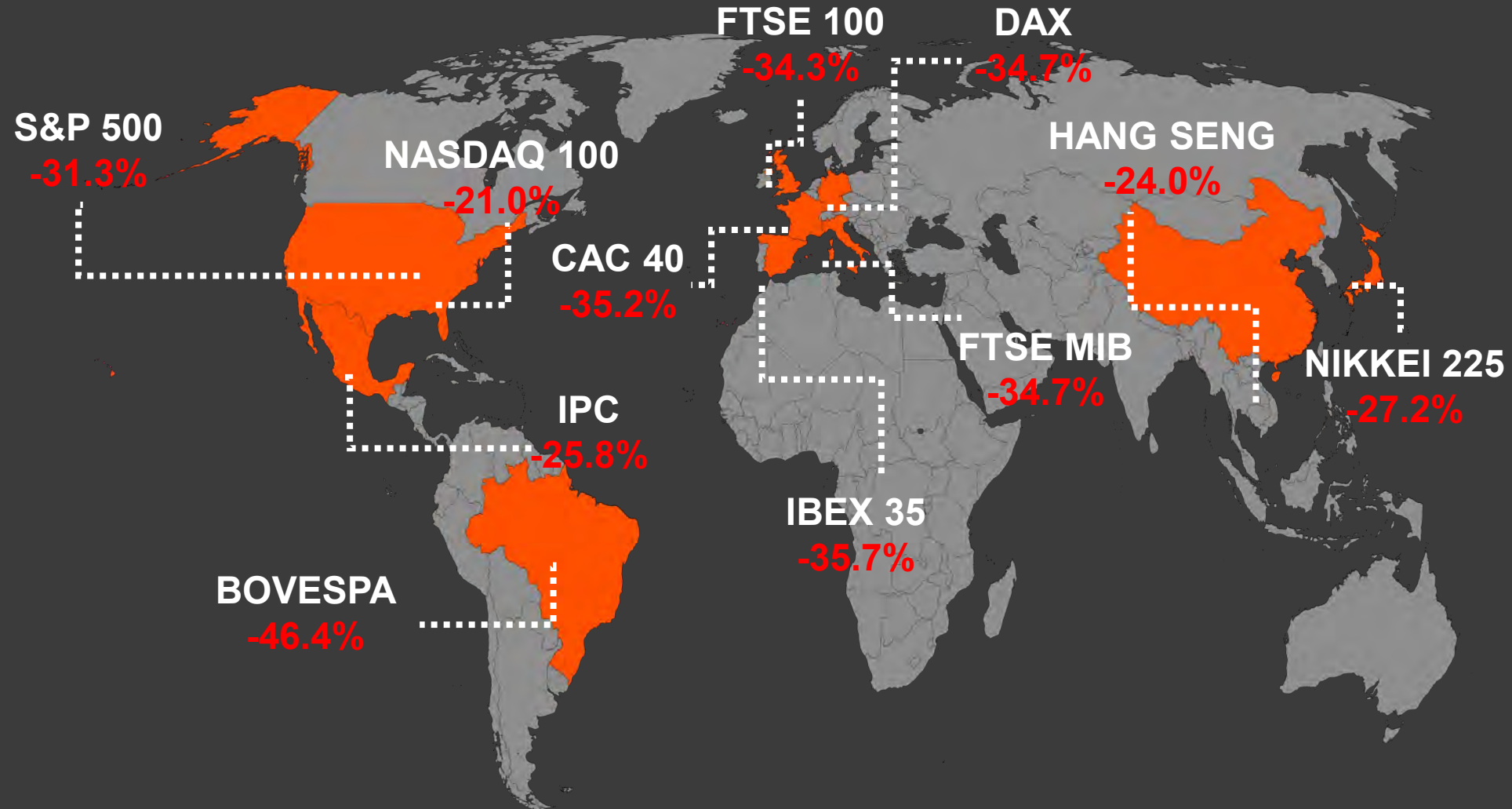


# CONTEXT OF THE CYCLE





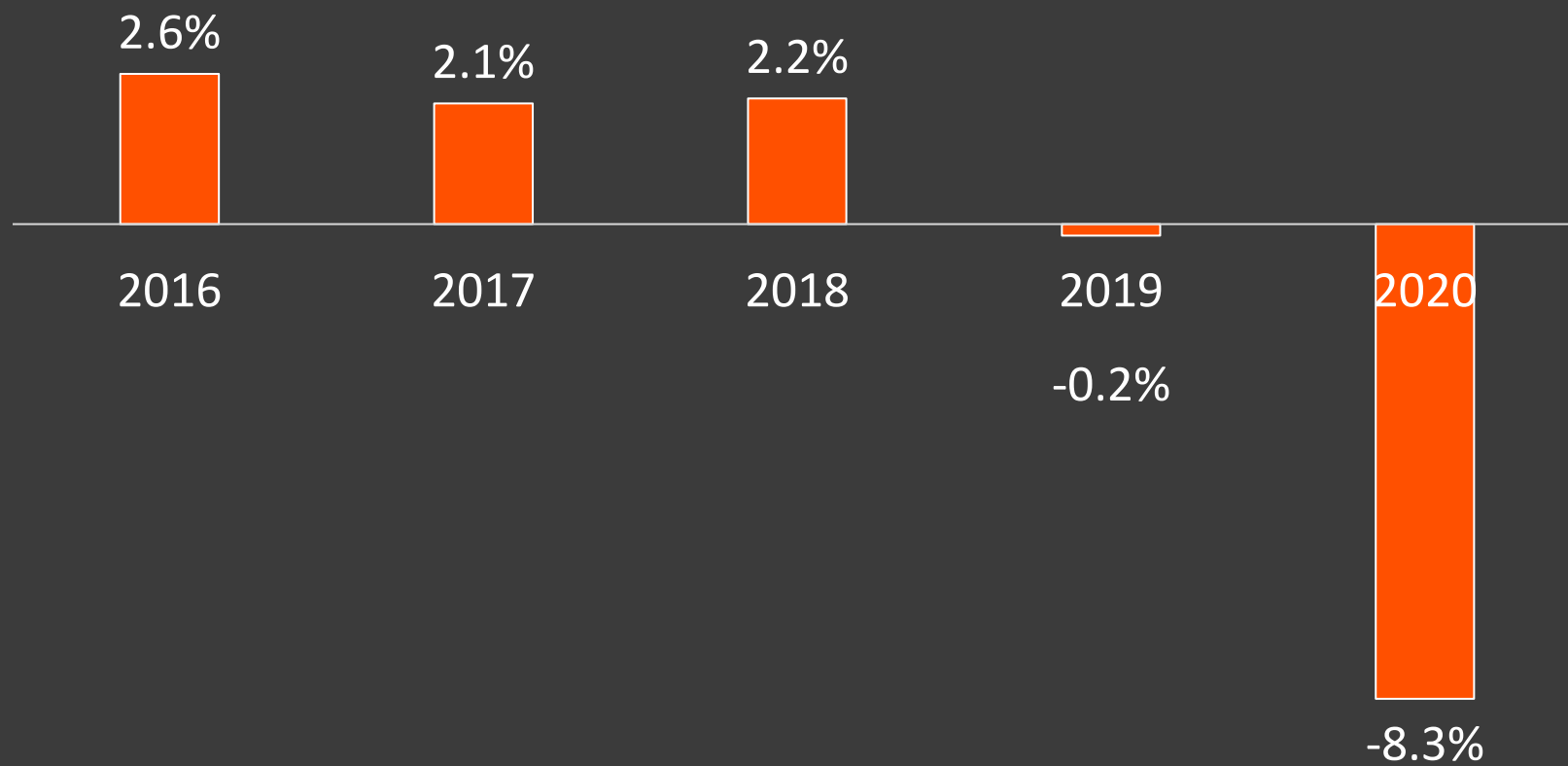
# A CYCLE DID COME, AND NOT JUST ANY CYCLE...





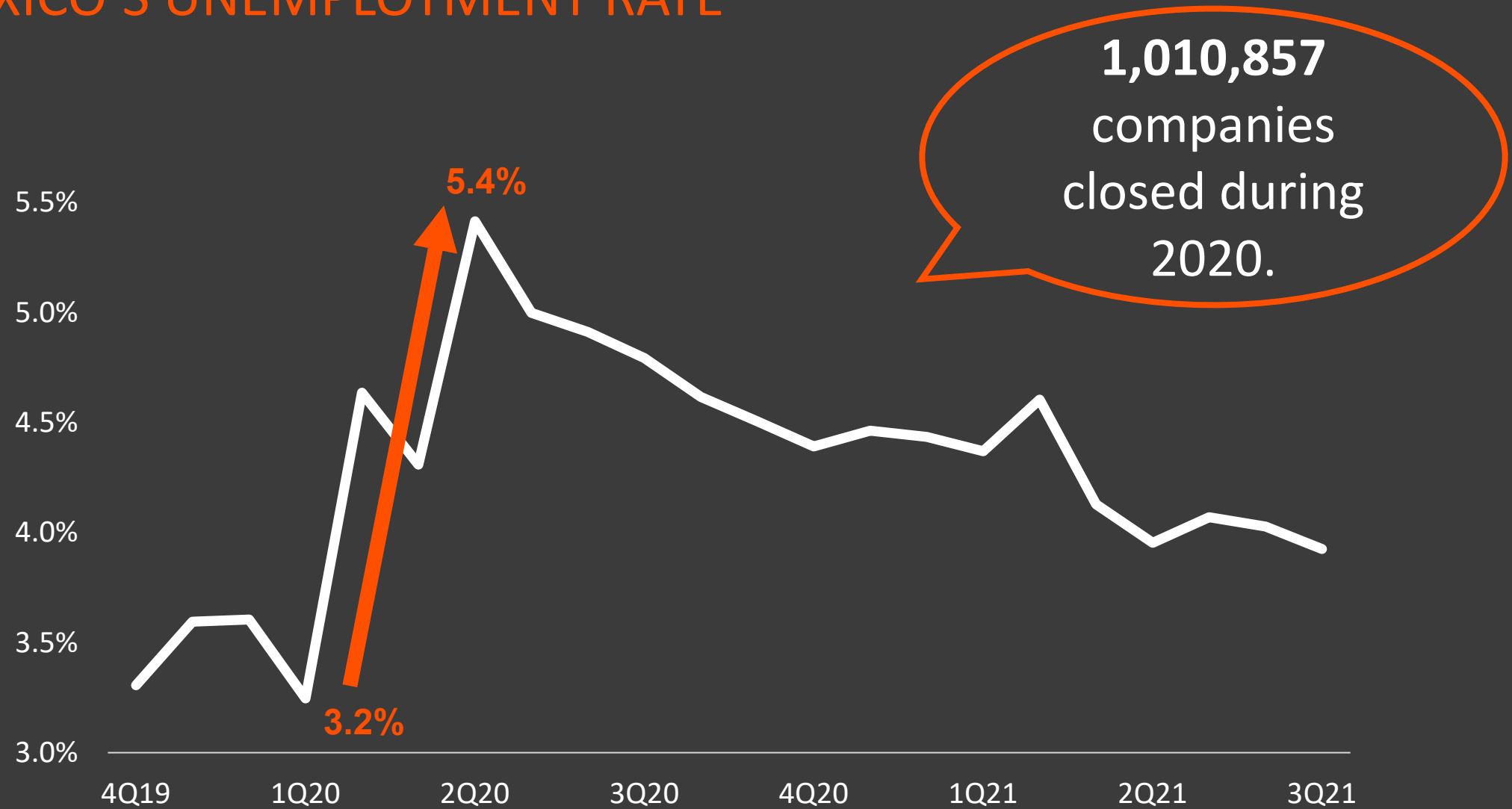
# GDP ANNUAL CHANGE

## MEXICO





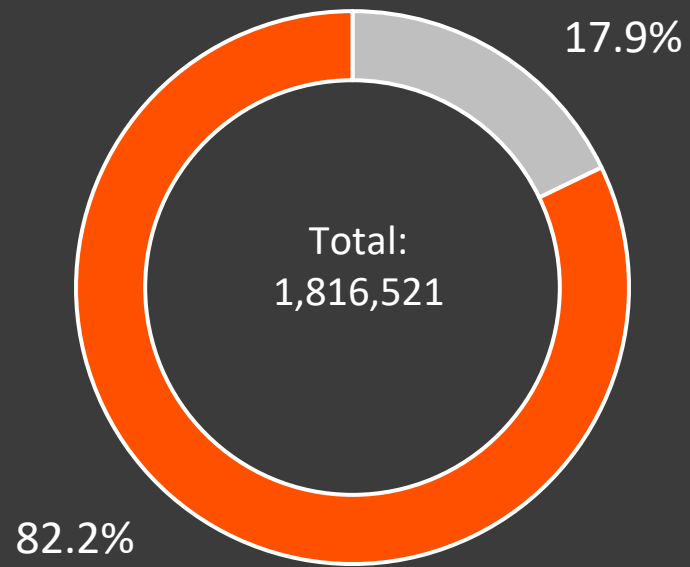
## MEXICO'S UNEMPLOYMENT RATE



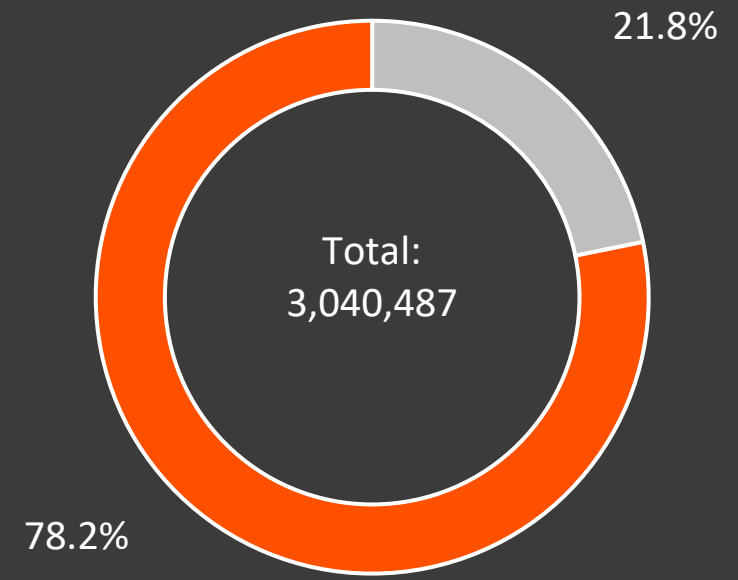


# INFORMAL SECTOR WAS HIT TWICE AS HARD

Formal Companies



Informal Companies



Closed



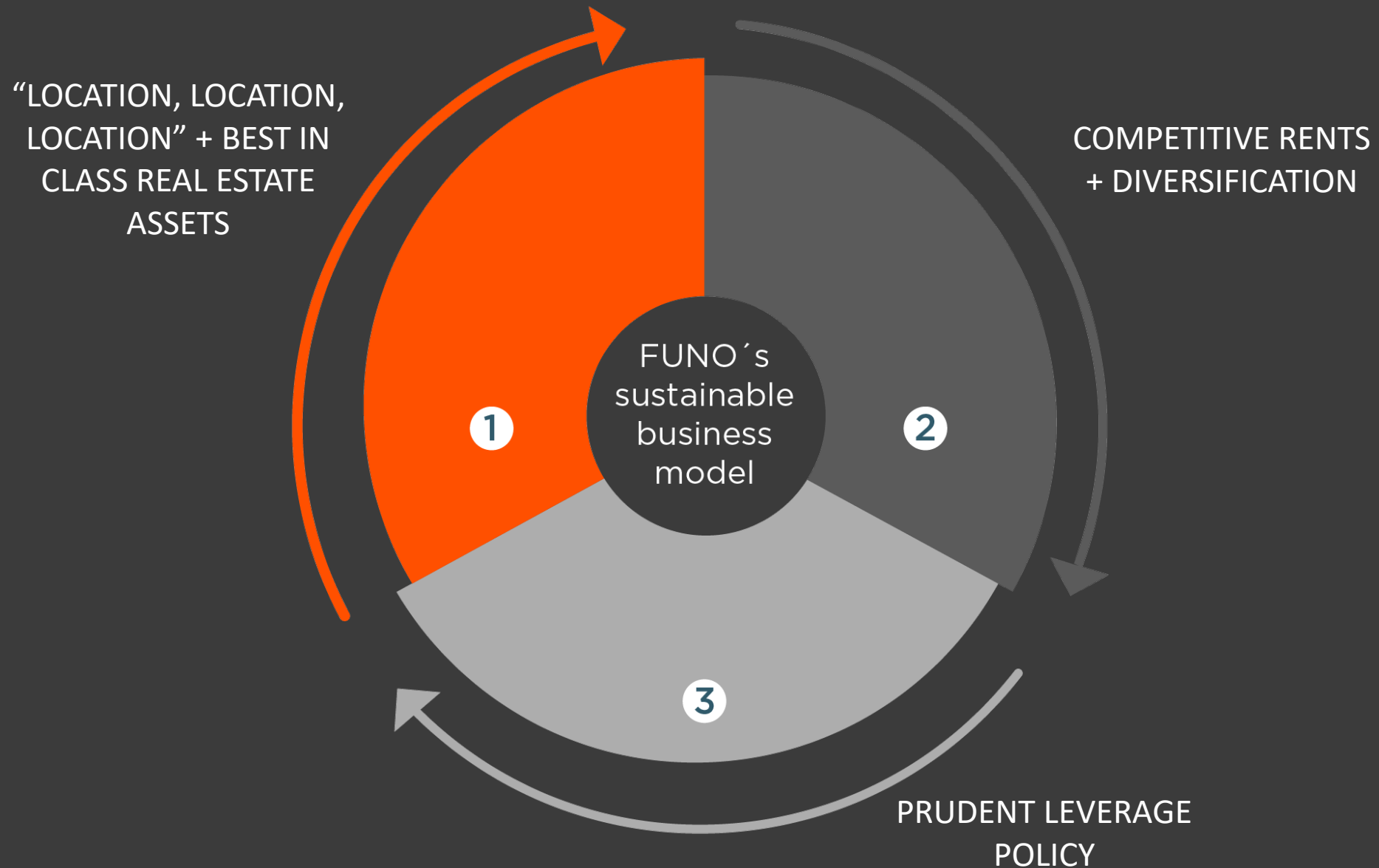
Survived



# WHAT HAPPENED TO FUNO DURING THE CYCLE?



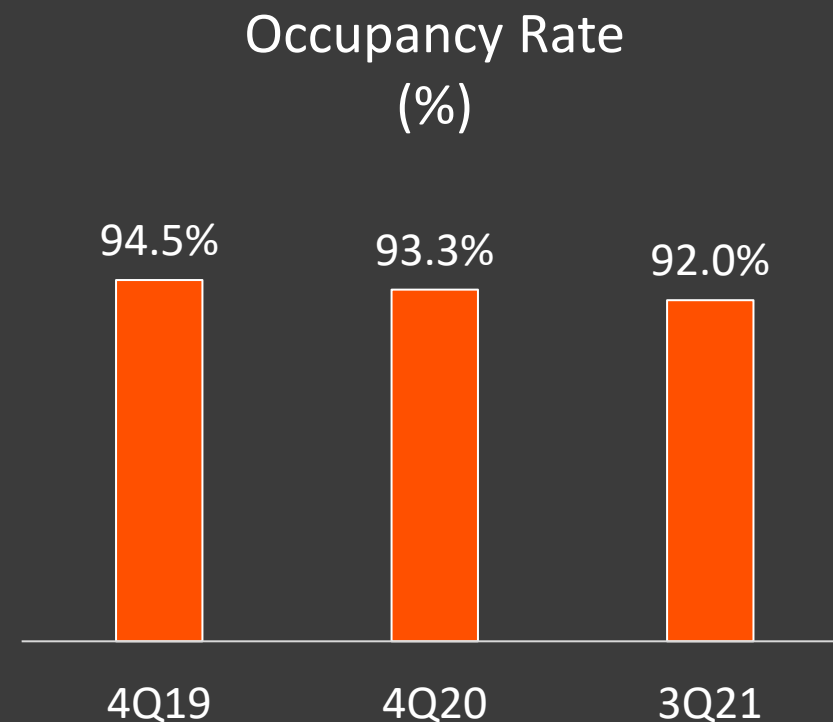
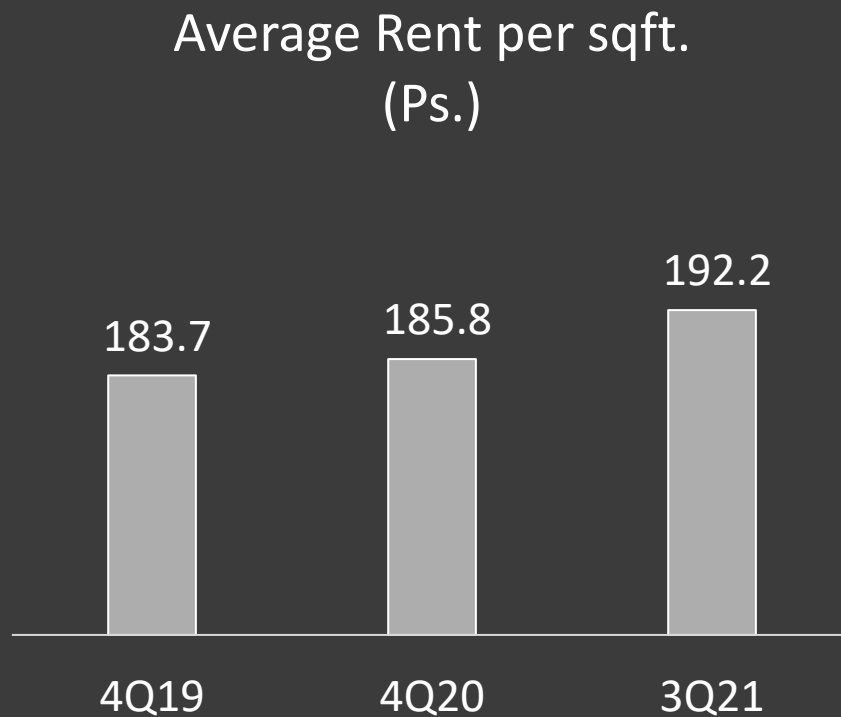
# TRIED AND TESTED MODEL





# FUNO'S RESILIENCE DURING THE CYCLE

Well located assets offered at attractive rent levels drive high occupancy rates:

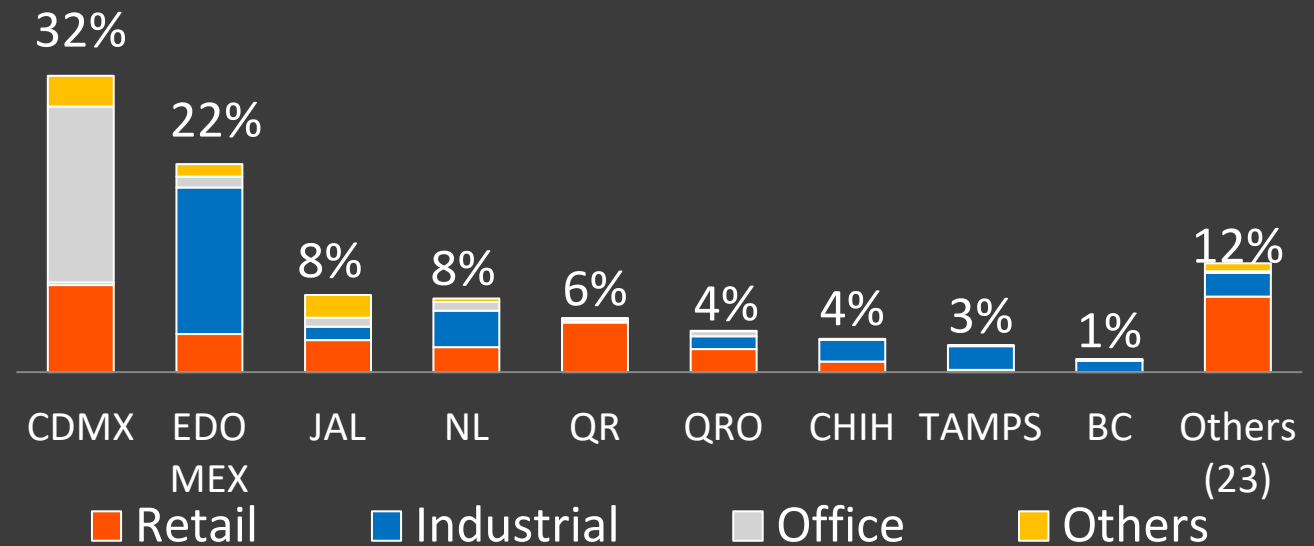
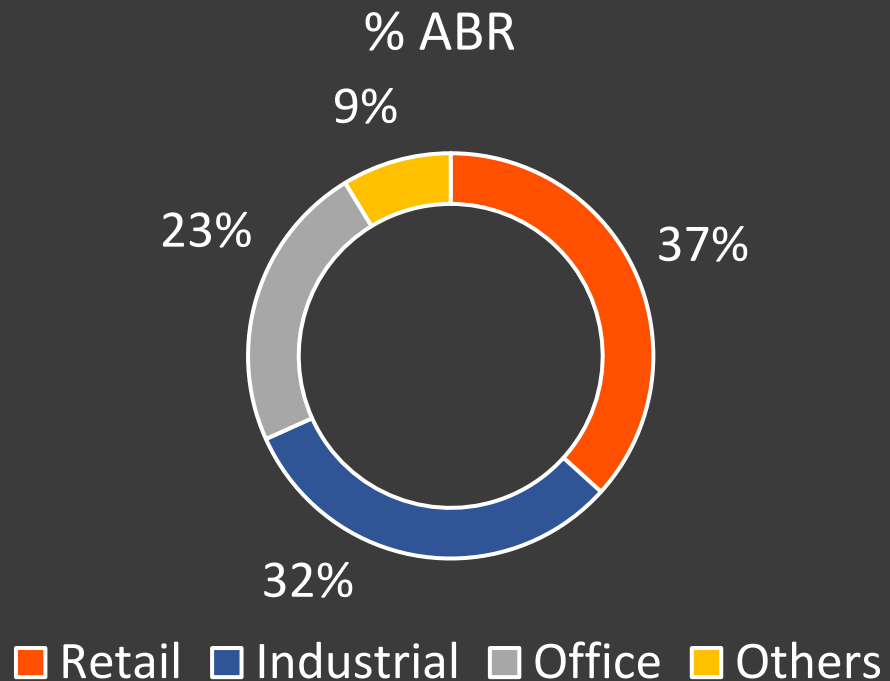




# DIVERSIFICATION DOES MATTER

- Highly diversified portfolio by segment and tenants.

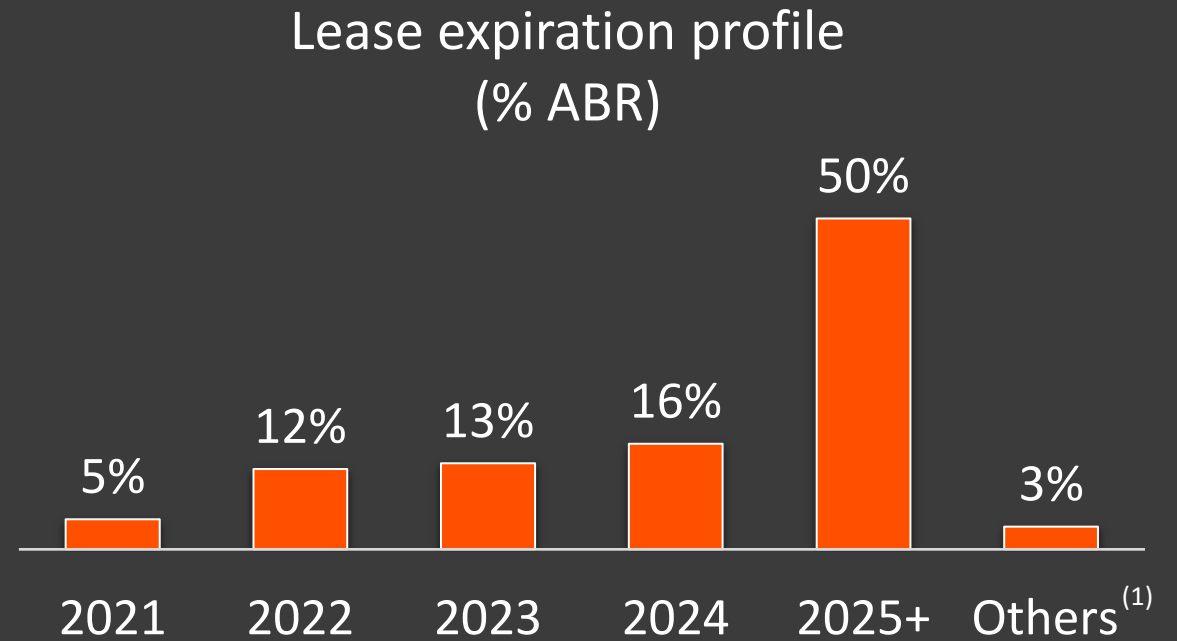
- Mexico's fastest growing states generate 75% of our ABR.





# DEFENSIVE LEASE PROFILE

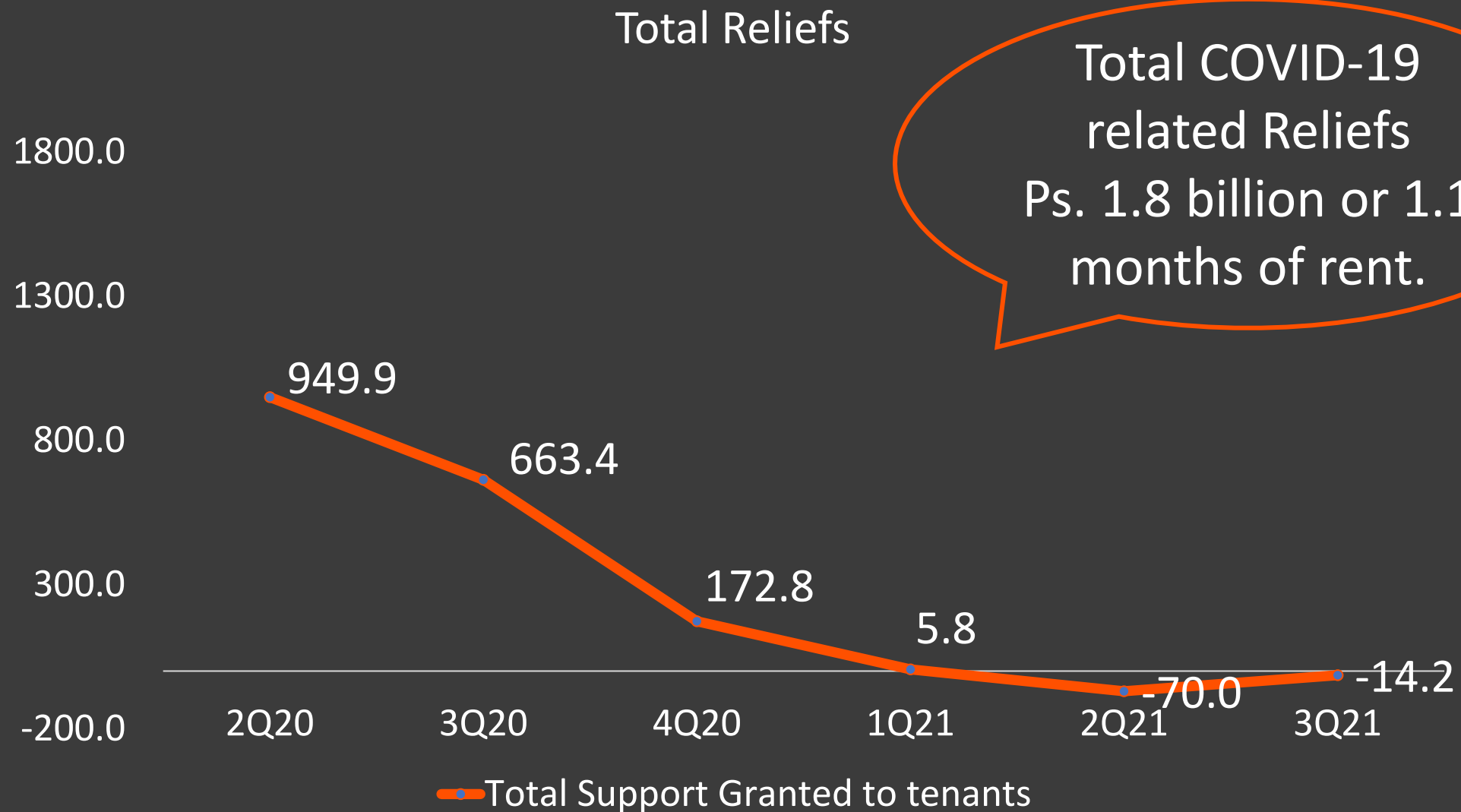
- We managed to extend the length of our leases during the cycle.
- Well laddered lease terms.



(1) Statutory leases.



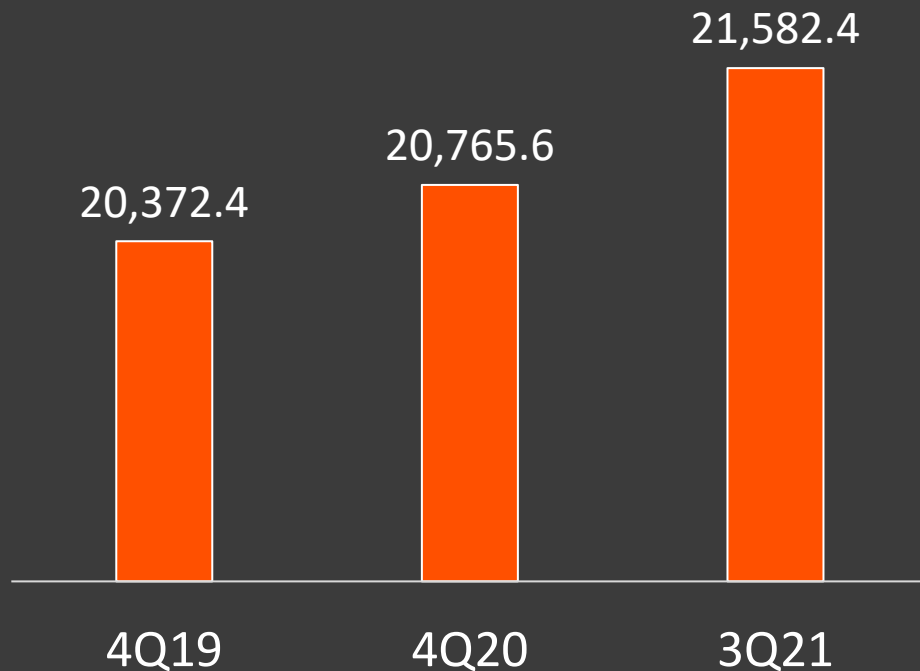
# COVID-19 RELIEFS



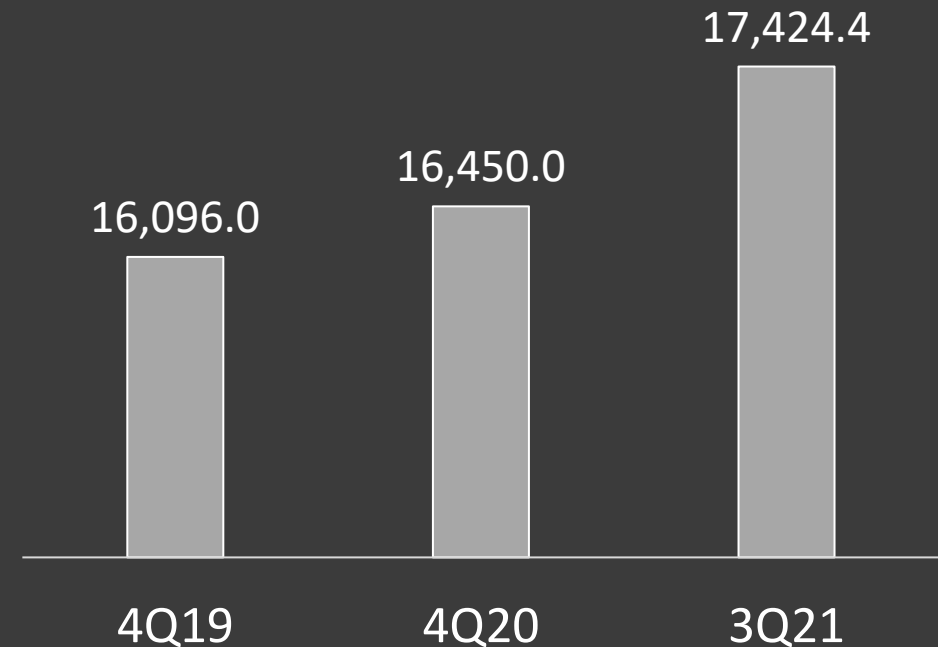


# ALREADY RECOVERED FROM PRE-PANDEMIC LEVELS

Annual Total Revenue  
(Ps. million)



Annual NOI  
(Ps. million)



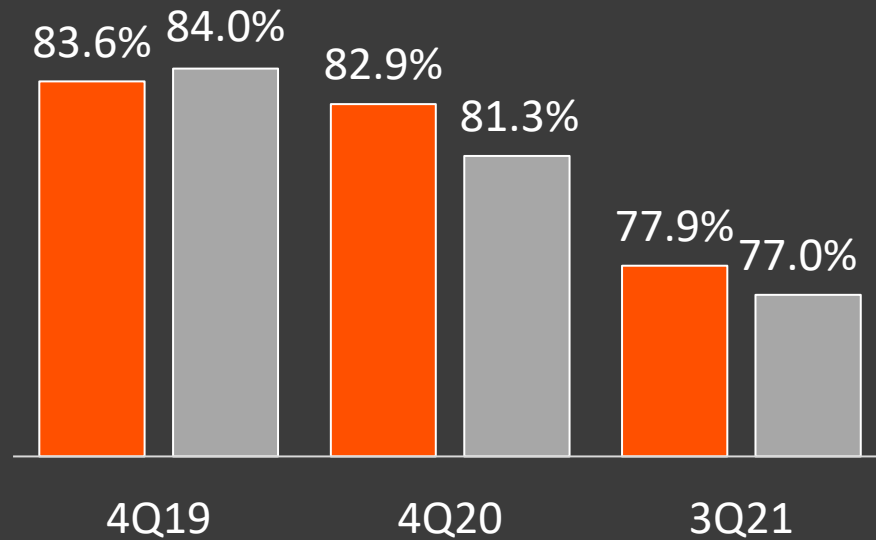


# WHAT ABOUT OFFICE?

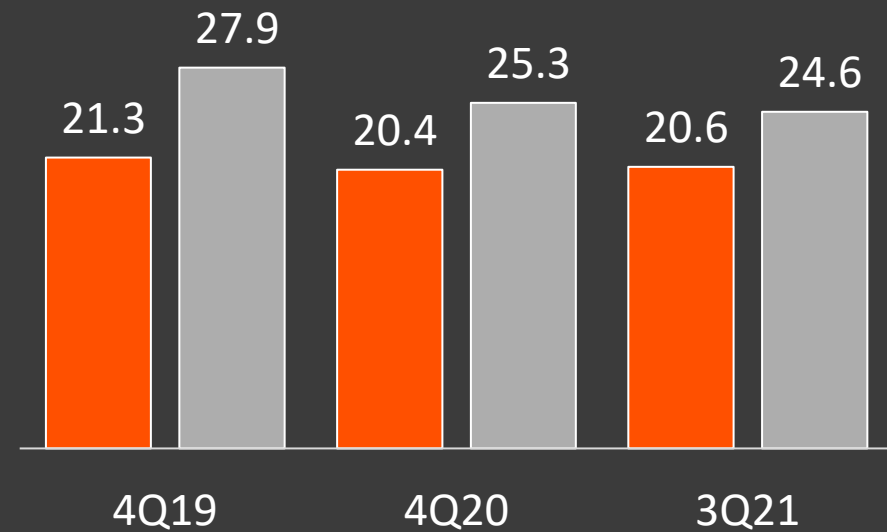


# OFFICE

Occupancy Rate  
(%)



Average Rent per sqft.  
(Us.)



 FUNO  Market

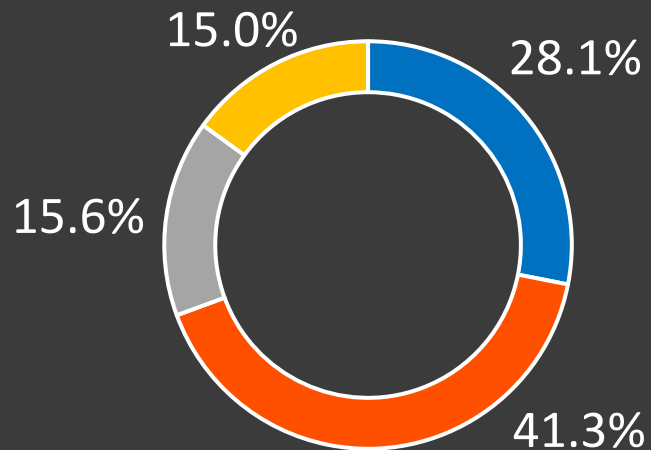
(1) Constant properties occupancy. Excludes recent developments. (2) Source: CBRE, COLLIERS, FUNO.



# DRIVERS FOR OFFICE OCCUPANCY

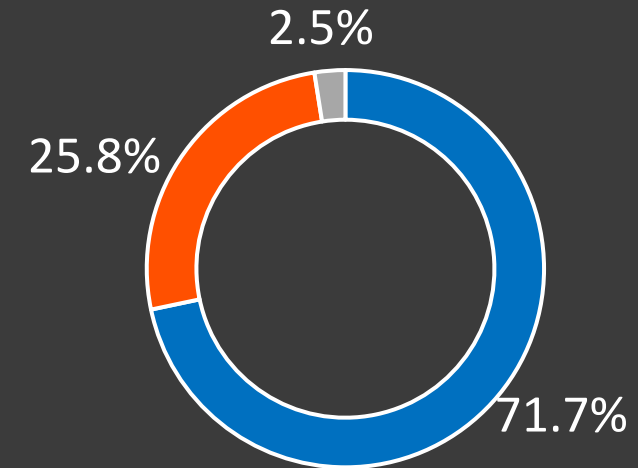
- We acknowledge that there exists a new global trend of “Working From Home”.
- We are convinced that WFH is not a viable long term option for Mexican households.
- Mexican vast majority live in less than 1,076 sqft house.
- Average persons per household: 3.6

Sqft per Housing



■ Up to 592 sqft  
■ 603-1,076 sqft  
■ 1,087-1,615 sqft  
■ More than 1,615 sqft

Household density<sup>1</sup>



■ Main ■ Expanded ■ Compound

1) INEGI. Main: parent and children, expanded: main + other relative, compound: main or expanded + non relative



# DRIVERS FOR OFFICE OCCUPANCY: HUMAN NATURE



FUNO believes that the transfer of **knowledge and creativity** that **spur innovation** can only exist via **in person** social interaction.



Microsoft research<sup>(1)</sup> shows that WFH **creates silos** and prevent people from **teamwork and value creation**.

(1) Source: Microsoft



After the devastating crisis of 2020...

619,443

new companies (potential tenants) were  
created.



## ADAPTABILITY

The ability to constantly reinvent ourselves in an opportunistic business.

New + office & retail GLA reconversion for approx.  
1,125,000 sqft

3 New Hospitals

250,000 – 300,000 sqft each

4 New Clinics

50,000 – 100,000 sqft each

Equivalent to ~ 9% of office GLA.

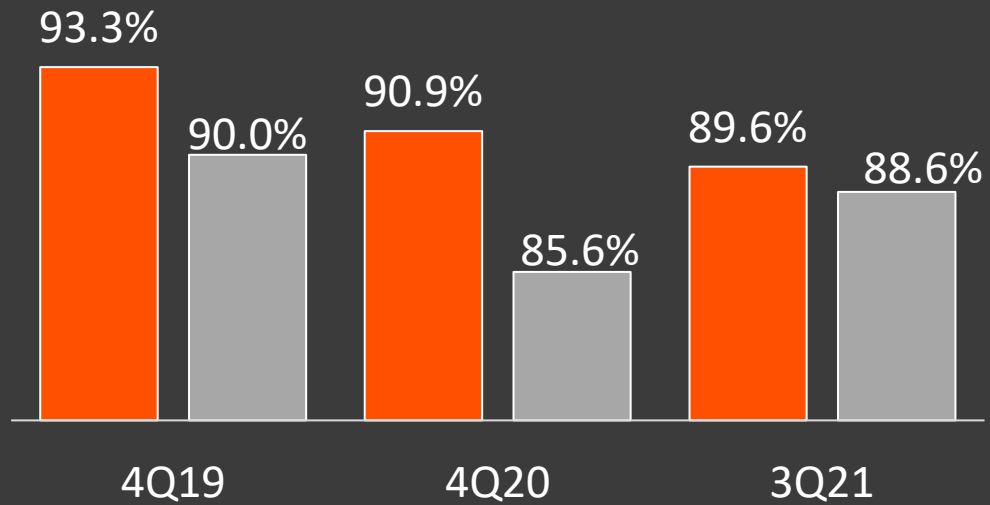


# WHAT ABOUT RETAIL?

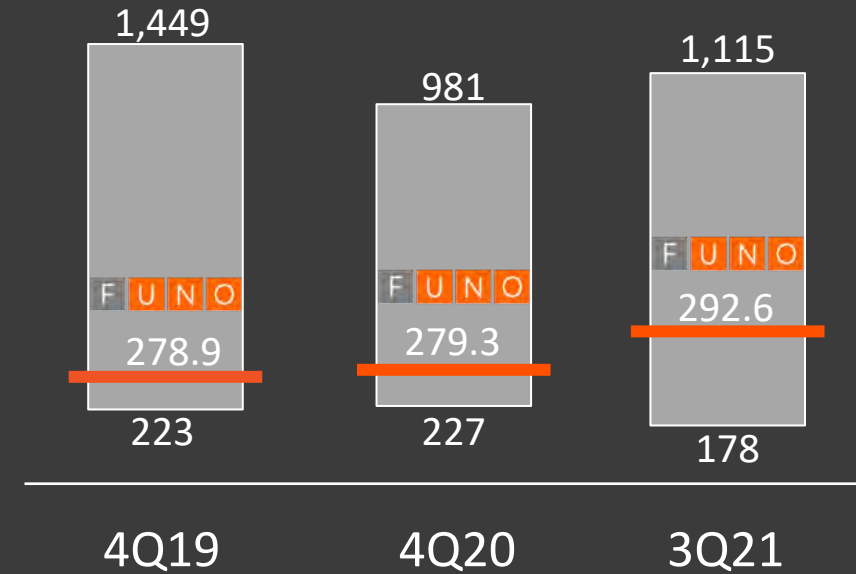


# RETAIL

Occupancy Rate  
(%)



Average Rent per sqft.  
(Ps.)



 FUNO

 Market



# SHOPPING MALLS

**85%**

Average foot traffic  
compared to pre-  
pandemic levels.

**90%**

Average sales  
compared to pre-  
pandemic levels.

**2x**

Sales of luxury products  
are significantly above  
2019 levels.

Despite not recovering 100% of foot traffic of all our shopping malls, a larger percentage of visitors are shopping.



# WHERE RETAIL MEETS E-COMMERCE

## WHAT WE KNOW

How Real Estate  
**operates**

What our tenants  
**need**

What our consumers  
**want**

---

## WHAT WE HAVE

---



More than  
**180**  
Shopping Centers



A network  
**+6,000**  
Unique tenants



More than  
**500 M**  
Annual Visits



**TOP  
MANAGEMENT**  
With more than 200  
years of added  
experience

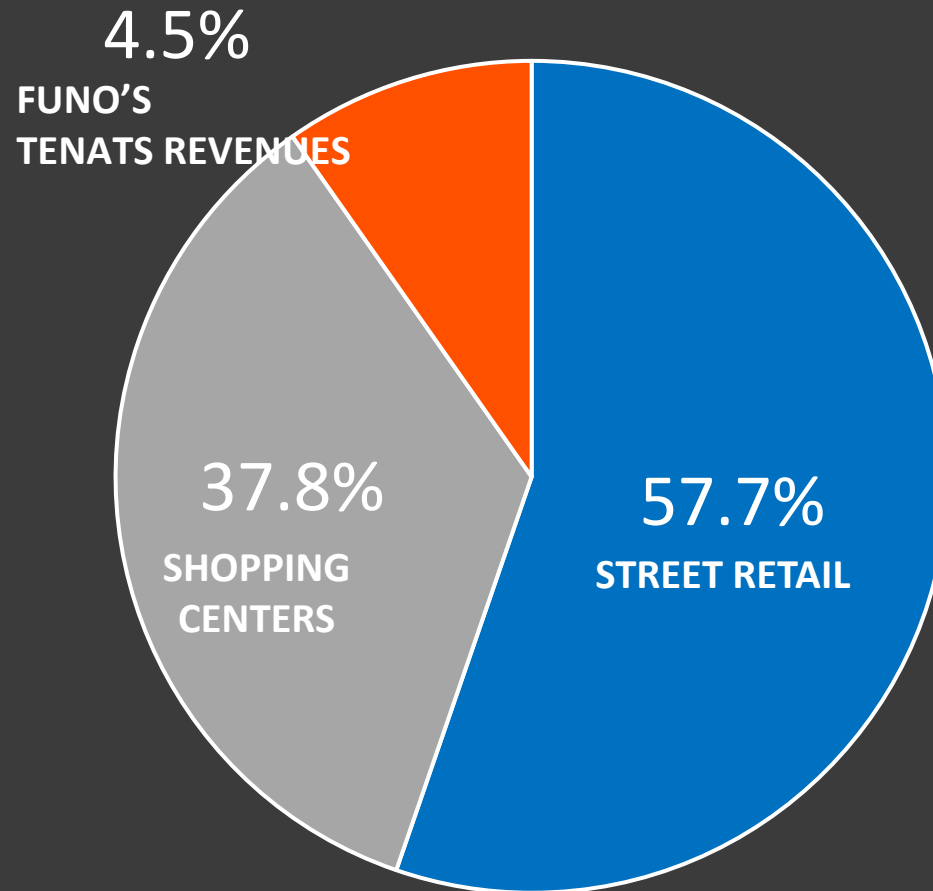


# WHAT WE LEARNED DURING 2020

**FUNO's shopping malls have become the true  
last mile solution for e-commerce.**



# FUNO'S SHARE ON RETAIL REVENUE IN MEXICO



**Approx. 8.6% of Mexico's retail revenues are linked to e-commerce.**





CONNECT THE SHOPPING  
EXPERIENCE IN BOTH  
**DIGITAL AND PHYSICAL**  
**WORLDS**

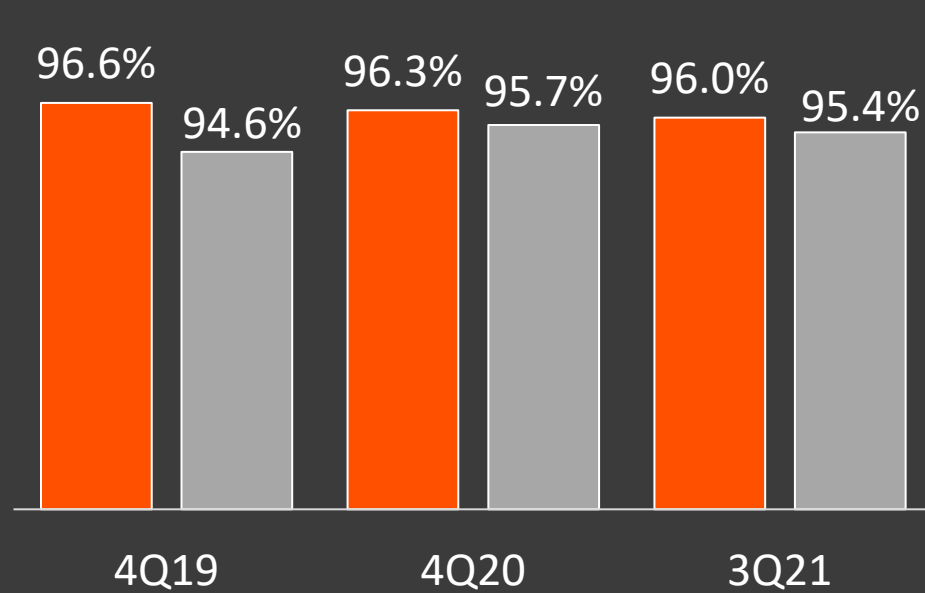


# WHAT ABOUT INDUSTRIAL?

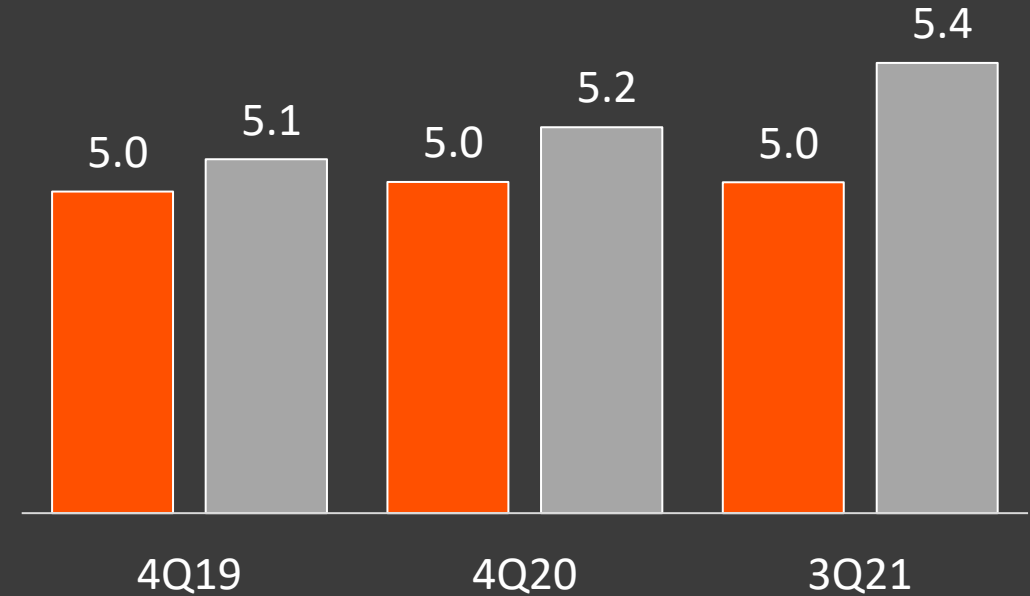


# INDUSTRIAL

Occupancy Rate  
(%)



Average Rent per sqm.  
(Us.)



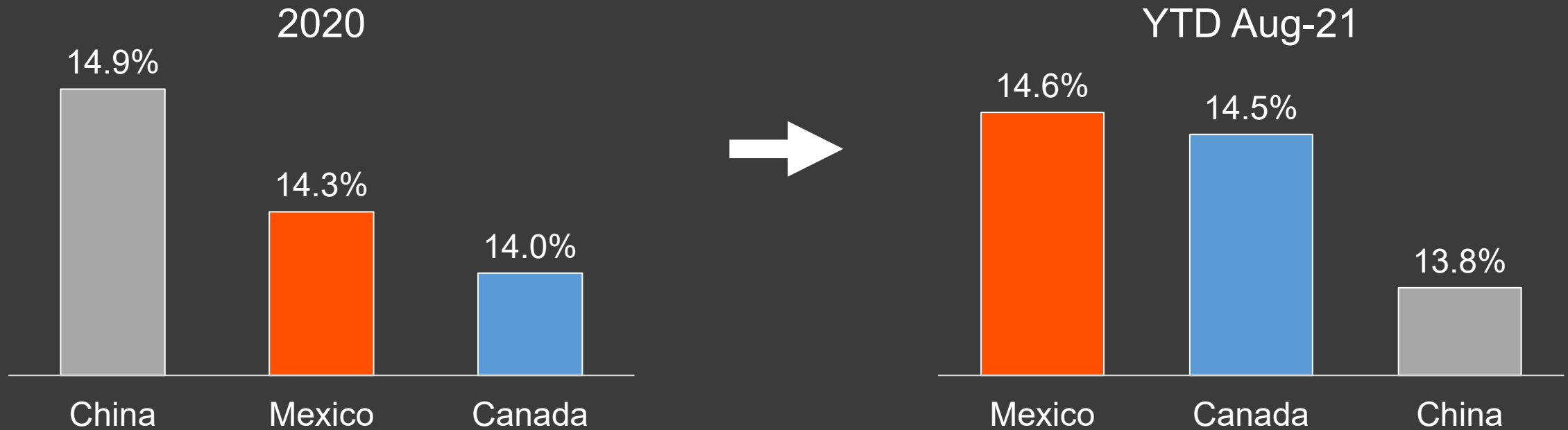
 FUNO

 Market



# UNITED STATES' TRADING PARTNERS

## % OF TOTAL TRADE





# MACRO-ECONOMIC GROWTH DRIVERS

## Strategic Location / Nearshoring

- 3,000 km border with the US.
- North-America Integrated supply chain.
- 3-4 days transportation vs 3-4 weeks from Asia.

## Infrastructure

- Skilled and cost effective labor.
- Mature border market in terms of industry players.

## Trade Agreements

- Mexico has a total of 13 trade agreements with 50 countries, including USMCA.
- Foreign trade represents 78%<sup>(1)</sup> of Mexico's GDP.
- 80% of Mexican exports are linked to North America.

## E-commerce

- E-commerce requires 3 times the space of a regular warehouse.
- Lack of reverse logistics.
- Domestic consumption growth.

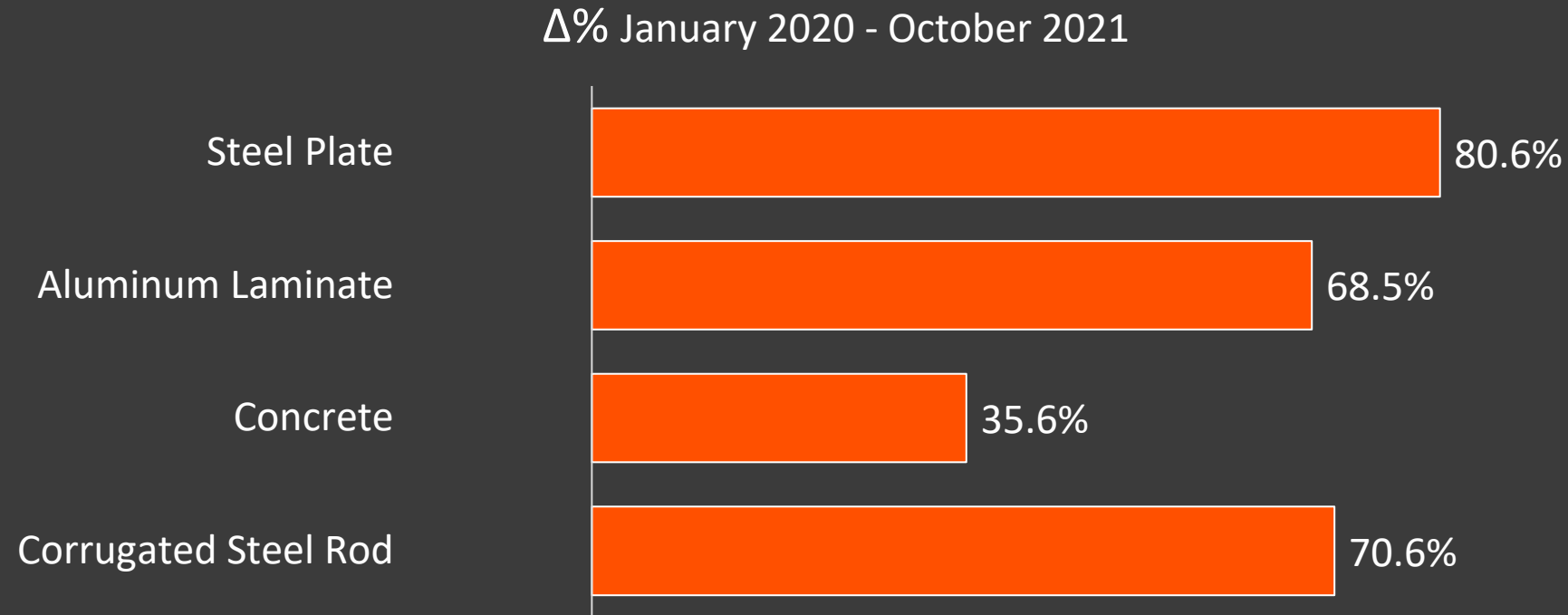
## US Economy growth

- Automotive Industry reactivation.
- Less dependence on China.

(1) Includes exports and imports.



# REPLACEMENT COSTS DRIVERS







- The cost of construction for a new building at any segment has increased substantially during 2020 to date.



# INCREASE IN REPLACEMENT COST WILL DRIVE RENTS UP

## Example



Building Cost	1,000	$\Delta +50\%$		1,500	
NOI	100	$\Delta 0\%$		100	
Yield on Cost	10%	$\Delta -33\%$		6.67%	

- Supply stops because new yield does not represent enough return to invest capital.



# INCREASE IN REPLACEMENT COST WILL DRIVE RENTS UP

## Example

Building Cost	1,000	$\Delta +50\%$		1,500	=		1,500
NOI	100	$\Delta 0\%$		100	$\Delta +50\%$		150
Yield on Cost	10%	$\Delta -33\%$		6.67%	$\Delta +50\%$		10%

- Demand for space continues growing driving occupancy up.
- Without new supply and increasing demand, rents go up.
- New construction resumes when rents deliver enough yield to justify it.



# REPLACEMENT COST INCREASE DRIVES VALUE UP

## Example

	<u>Development</u>		<u>Stabilized</u>	
Building Cost	1,000	→	1,000	
NOI	100	Stabilization	100	
Yield on Cost	10%	(Time)	<u>7%</u>	<u>Cap Rate</u>
Building Value	At cost		<b>1,428.6</b>	

**Replacement cost  
increase**

	<u>Development</u>		<u>Stabilized</u>	
Building Cost	1,500	→	1,500	
NOI	150	Stabilization	150	
Yield on Cost	10%	(Time)	<u>7%</u>	<u>Cap Rate</u>
Building Value	At cost		<b>2,142.9</b>	



# ESG GOALS



# ESG GOALS – QUICK OVERVIEW

- 1 Sustainable Bond
- 2 Climate Change Risks Vulnerability Assessment
- 3 S&P recognized FUNO® as top best 15% worldwide on ESG practices
- 4 Committed to SBTs
- 5 Tenants: Green Clause, Scope 3 and Waste Zero





# OUR CREDENTIALS

We report to:



MEMBER OF  
Dow Jones  
Sustainability Indices  
In Collaboration with RobecoSAM

vigeo eiris



BIVA  
Bolsa Institucional de Valores



PRI Principles for Responsible Investment



2016

2017

2018

2019

2020

2021

We report under  
the following  
guidelines:



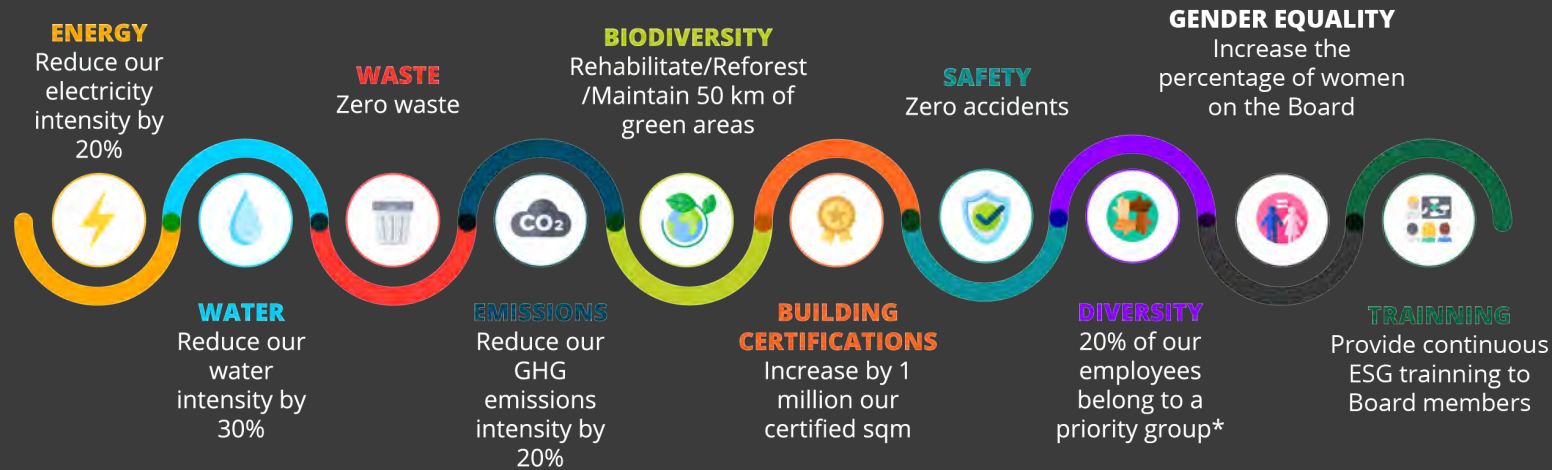
INTEGRATED REPORTING <IR>

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES



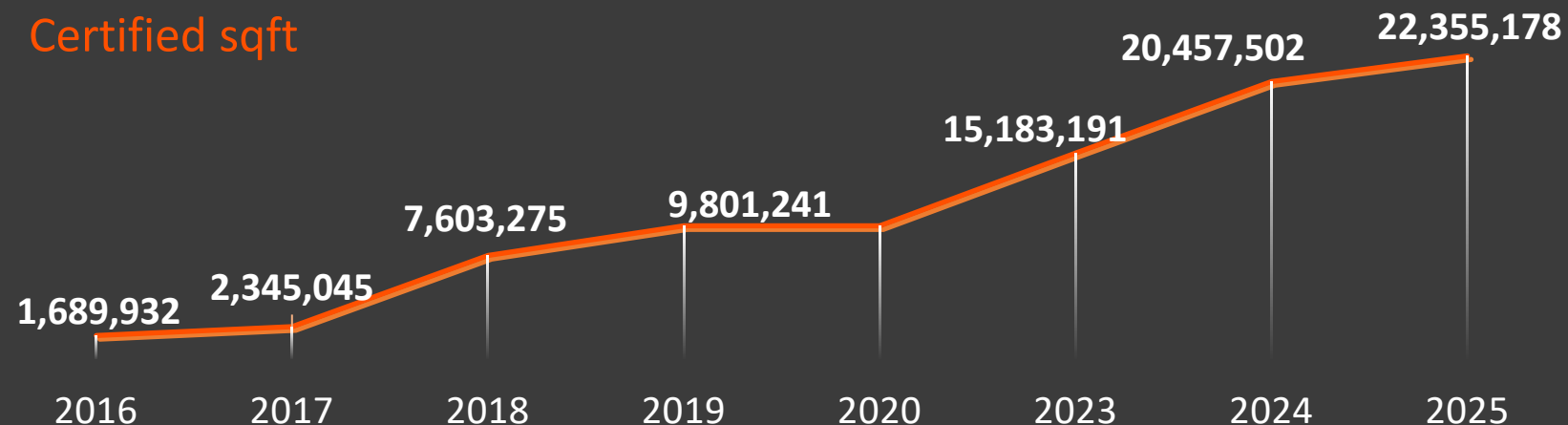
# ESG GOALS – TARGETS

## SUSTAINABILITY STRATEGY 2020-2030



\* People with disabilities, single parents, LGBTQ+, indigenous groups, migrants.

### Certified sqft





# MITIKAH UPDATE



# MITIKAH UPDATE

- As of 3Q21 construction's phase one is at 92% completed.



10.8 million sqft GBA



Total Stabilized GLA: 4.8<sup>(1)</sup> million sqft

(1) Includes Condo tower.



# MITIKAH UPDATE – PHASE I

## TORRE MITIKAH

Construction Advance

90%

Sales Progress

~ 90%



## TORRE M

Construction Advance

100%

Leasing Progress

~ 90%



(1) Includes Torre M's LOIs.



# MITIKAH UPDATE – PHASE I

## MEDICAL TOWER

Construction Advance

100%

Leasing Progress

100%



## RETAIL MITIKAH

Construction Advance

~80%

Leasing Progress

100%





# DEVELOPMENT UPDATE





# NOW IS TIME TO COME BACK



# KEY ASSUMPTIONS

## 1. General:

- Rents adjusted annually with inflation
- Contract renewals with leasing spreads over inflation
  - On average: 6-9% Industrial, 1-5% Retail, and 0-2% Office
- Occupancy stabilizes at a range of 90-95% (depending on the property/portfolio)
  - 2024E: 97.5% Industrial, 94.4% Retail, and 89.4% Office
- Stable NOI margin at 80% and FFO payout at 60%

## 2. Acquisitions:

- Assumes pending acquisition of Tajuelos III

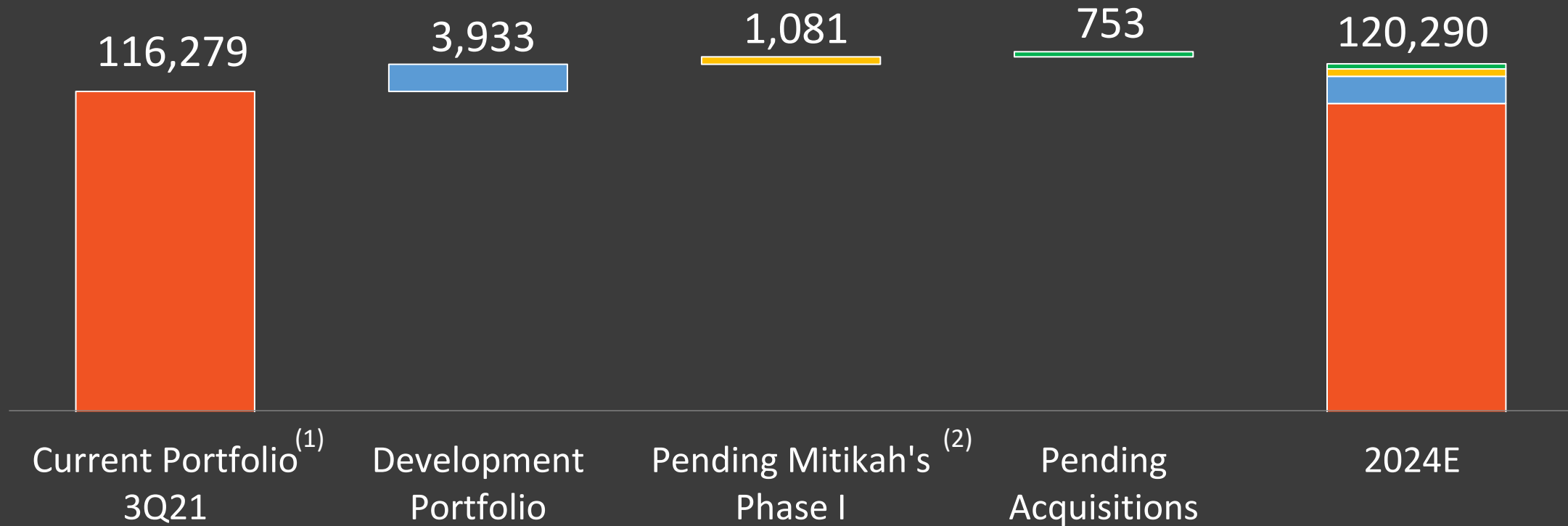
## 3. Developments:

- Assumes delivery of GVO, Tepozpark and Portal Norte (Satelite)
  - Expected delivery: GVO 2Q'22, Tepozpark 1Q-3Q'22, and Portal Norte 2Q'24
- FUNO consolidates 100% of Mitikah JV Project's revenues and debt



## BASE CASE GLA BUILD UP

(Figures in '000 sqft)

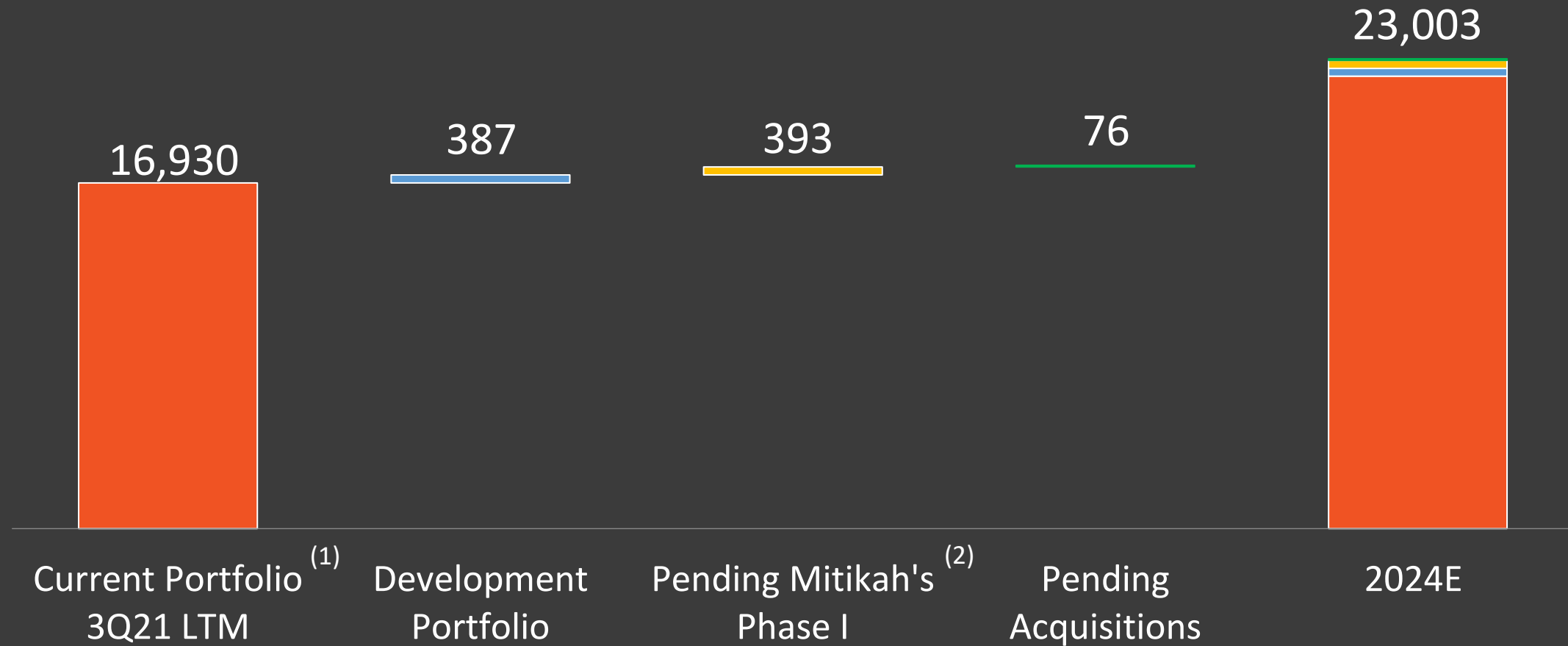


(1) Includes Mitikah's Torre M, Consultorios and Centro Bancomer (SEP). (2) Mitikah's Phase I retail segment.



## BASE CASE NOI BUILD UP

(Figures in million Ps.)



(1) Includes Mitikah's Torre M, Consultorios and Centro Bancomer (SEP). (2) Mitikah's Phase I retail segment.



## BASE CASE 3YR OUTLOOK

Concepts	2021E	2024E	%Δ
NOI (Ps. million)	17,270	23,003	33.2%
GLA ('000 sqft)	116,279	120,290	3.4%
Debt (Ps. million)	131,539	124,295	-5.5%
LTV	41.7%	34.3%	-7.4%
FFO (Ps. million)	8,754	13,706	56.6%
No. CBFIs (million)	3,800	3,800	0.0%
FFO / Share			
<i>High End</i>	2.33	3.84	64.8%
<i>Low End</i>	2.29	3.54	54.6%





ENRIQUE DE LA MADRID



# ENRIQUE DE LA MADRID

- Master Enrique de la Madrid is a former Secretary of Tourism between August 2015 and November 2018.
- Under his term, Mexico ranked as the 6th most visited country by foreign visitors, surpassing important destinations such as the UK and Germany.
- Enrique has an extensive experience in the financial sector, as CEO of Bancomext (Mexico's Eximbank), and as CEO of Financiera Rural (Mexico's agricultural development bank).
- Enrique also worked as Executive Director of Institutional Affairs and Corporate Communications for HSBC Latin America, and Technical Coordinator of Mexico's banking and securities commission. He also served as the Executive President of ConMéxico.
- Between 2000 and 2003, he was a Federal Congressman.
- Since early 2019 he is the head of Center for the Future of Cities of Instituto Tecnológico Autónomo de México, one of Mexico's top private universities.
- He writes a weekly column for El Universal, and is the director and host to the weekly TV program "Ahora Futuro; México y El Mundo" of ADN 40.
- Enrique holds a Law degree from Mexico's National University, and a master's degree in Public Administration from the Harvard Kennedy School of Government.